

## Message Text

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PAGE 01 LISBON 07586 221641Z

44

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

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P R 221605Z DEC 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 5426

INFO USMISSION OECD PARIS

USDEL MTN GENEVA

LIMITED OFFICIAL USE LISBON 7586

E.O. 11652: N/A

TAGS: ETRD, MTN, PO

SUBJ: GSP FOR PORTUGAL

REF: STATE 300205

1. ECON COUNSELOR DEC 22 DISCUSSED DRAFT NOTE CONTAINED REFTTEL WITH DR. JOAO PEQUITO OF MINISTRY OF FOREIGN AFFAIRS. LATTER, GIVING HIS PRELIMINARY AND INFORMAL REACTIONS, EXPRESSED CONSIDERABLE SURPRISE AT USG INSISTENCE THAT ELIMINATION OF PREFERENCES FOR EUROPEAN COMMUNITY SHOULD BE ACHIEVED BY EXTENDING PREFERENTIAL RATES TO ALL MFN NATIONS. PREVIOUS DISCUSSIONS IN WASHINGTON AND IN LISBON, HE ASSERTED, HAD ADDRESSED ONLY THE NEED TO ELIMINATE DISCRIMINATION AGAINST U.S. PRODUCTS. GOP WAS PREPARED TO ELIMINATE DISCRIMINATION AGAINST U.S. GOODS IN RETURN FOR GSP BUT WHY, HE ASKED, SHOULD PORTUGAL EXTEND PREFERENTIAL RATES TO THIRD COUNTRIES NOT PREPARED TO GRANT PORTUGAL SIMILAR TARIFF CONCESSIONS. A GENERALIZED EQUALIZATION OF TARIFF DUTIES WOULD, HE ASSERTED, BE MORE PROPERLY TREATED THROUGH GATT CHANNELS

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PAGE 02 LISBON 07586 221641Z

RATHER THAN THROUGH IMPLEMENTATION OF GSP.

2. DR. PEQUITO DID NOT BELIEVE THAT PORTUGAL COULD ACCEPT USG PROPOSAL TO EXTEND PREFERENTIAL RATES TO ALL MFN NATIONS, A PROCEDURE WHICH WOULD NOT PARTICULARLY BENEFIT U.S. BUT WOULD INCREASE COMPETITION FROM OTHER NATIONS. IF GOP DID EVENTUALLY AGREE TO USG PROPOSAL, IT COULD DO SO ONLY AFTER EXTENSIVE INTERNAL CONSULTATIONS THAT WOULD SERIOUSLY DELAY PORTUGAL'S PARTICIPATION IN GSP.

3. COMMENT: EXTENSION OF PREFERENCES TO ALL MFN NATIONS WOULD, IN EFFECT, SIGNIFY A MAJOR GOP TARIFF REVISION. GOP WOULD LIKELY HAVE TO SPEND MONTHS STUDYING THE IMPACT OF SUCH CHANGES ON PORTUGAL'S TRADE PATTERNS AND DECIDING WHETHER GSP IS WORTH THE EFFORT. EMBASSY WOULD APPRECIATE KNOWING WHETHER USG WILL INSIST ON THIS POINT AND, IF SO, WHAT OTHER NATIONS HAVE MADE SIMILAR CONCESSIONS TO PARTICIPATE IN GSP.  
CARLUCCI

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, REGIONAL ORGANIZATIONS, GENERALIZED PREFERENCES (TARIFFS), TARIFF AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GSP FOR PORTUGAL  
**TAGS:** ETRD, PO  
**To:** STATE  
**Type:** TE  
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